

STAT

# Today and Tomorrow • By Walter Lippmann

## 'Growthmanship'

LAST WEEK at St. Louis the Vice President announced that "we are now engaged in what will become, before this year is out, a major national debate over the subject of economic growth." Who will be debating with whom and about what? According to Mr. Nixon, Lippmann



while we are all in favor of growth, the critics of the Administration, namely Gov. Rockefeller and the leading Democrats, are not to be taken seriously. For they are playing "the most fashionable parlor game of our time—a game that might well be called 'growthmanship.'"

Just why do these playboys spend so much time and energy on a mere parlor game? It is because they realize the great importance of our slowed down rate of growth. At our rate of growth in recent years we are unable to meet our public needs, to add to our defenses, and at the same time to keep on increasing private investment and to keep on raising the civilian standard of life. We have been producing less than we need and less than our economy is capable of producing.

FROM 1953, which marked the end of the Korea war boom, through 1959, the average rate of increase of output has been only 2.4 per cent. The average is low because in those seven years there were two recessions. The net result was that the average rate of increase was less than the average, 3 per cent, from 1970 to 1930. Yet in these seven years of sluggish growth, the country has had the capacity—it has had the labor, the capital equipment, and the technical know-how—to grow at the rate of at least 4 per cent.

It may not seem like a big difference, to grow at an average rate of less than 3 per cent or to grow at an average of 4 per cent. But in an economy of \$600 billion, it makes an enormous difference. Each percentage point of increase is about 5 billion dollars, and so the difference between our recent average

population. At only 12 billions increase, we cannot spend more on defense and on our public needs—such as education and urban redevelopment and scientific research—without reducing the improvement in, perhaps without cutting back, the civilian standard of life. But a 4 per cent with 20 billions, we can afford to do the things that reasonable men, including as we shall see the Vice President himself, think should be done.

That is why concern with our growth is not a parlor game.

JUDGING by his St. Louis speech, Mr. Nixon does not understand the problem. For after scoffing at the popular interest in growth, he concludes his own speech with a broad general endorsement of a large spending program. That, at least, is what he calls it when Gov. Rockefeller and the Democrats propose the same kind of program. Under his auspices it ceases to be a spending program and it becomes "investment in the public sector."

He would invest in "our public education establishments, in our national transportation system, in the renewal of our rundown urban areas, in the development of our natural and human resources, in providing imaginative new leadership for the exciting scientific and technological revolution which will dramatically change the whole character of life in America and the world in our lifetime."

He goes on to say, as if he thought he were Wilson, Rockefeller, John F. Kennedy, and Robert Kennedy rolled into one that "indulgy in these areas would be as detrimental to the national interest as indulgy in private investment."

IN THIS extraordinary passage Mr. Nixon has adopted the domestic program of his opponents. But there is still a difference between him and the Democrats and Gov. Rockefeller. He does not say, and cannot say he does not know, how to pay for the expensive program which he now advocates for it cannot be paid for unless there is a substantial increase in the aver-

age parlor game of growthmanship.

THERE IS ONE other feature of the speech which calls for a few words. In a long passage Mr. Nixon talks about the Soviet rate of growth, which he puts at 6 per cent and our own which he puts at 3 per cent. He then says that the opposition critics are proposing to raise the American rate to that of The Soviet. If the critics do that, they are exaggerating. A sustained average rate of 4 per cent would be ample for us. Mr. Nixon says, too, that the critics think, as Mr. K. apparently believes, that the Soviet economy will by 1970 catch up with and surpass the American.

No serious American student of this subject agrees with Mr. K. What the serious critics say is that the Soviet economy is about half as big as the American and that its rate of growth has recently been at least twice that of the American. This means that the annual increment of new wealth—which is available for military and civilian purposes and for private consumption—is about as large in the Soviet Union as in the United States.

(Thus call the U. S. economy 100 and the U.S.S.R.'s 50. If ours grows at about 3 per cent, there is an average increase of 3. If theirs grows at 6 per cent, there is also an increase of 3.)

NOW WITH equal annual increments the Soviet Union directs a larger portion than we do to national purposes. To understand the significance of this Mr. Nixon need go no further than the studies of the CIA and the testimony of Mr. Allen W. Dulles:

"The major threat to Soviet economic development and its high technology skills and resources is directed toward space and industrial, military and political power goals. The major threat of our economy is directed into the consumption of the consumer goods and services which are the sinews of strength. The major threat of our economy is directed to the production of industrial products."